

UNITED STATES DISTRICT COURT  
DISTRICT OF MASSACHUSETTS

\_\_\_\_\_  
ANNE BRUMBAUGH, GARY L. HARMON and  
RANDY K. GRIFFIN,

Plaintiffs,

v.

WAVE SYSTEMS CORPORATION, STEVEN K.  
SPRAGUE and GERARD T. FEENEY,

Defendants.

CIVIL ACTION  
NO. 04-30022-MAP

**PROOF OF CLAIM AND RELEASE**

DEADLINE FOR SUBMISSION: \_\_\_\_\_, 2006.

IF YOU PURCHASED OR OTHERWISE ACQUIRED WAVE SYSTEMS CORPORATION ("WAVE") COMMON STOCK FROM JULY 31, 2003 THROUGH DECEMBER 18, 2003, INCLUSIVE, YOU MAY BE A MEMBER OF THE CLASS HEREIN AND ENTITLED TO A RECOVERY.

Excluded from these Class are Defendants, the officers and directors of Wave, members of their immediate families, and their legal representatives, heirs, successors or assigns and any entity in which Defendants have or had a controlling interest.

You must complete and sign this Proof of Claim and Release form ("Proof of Claim") and mail it by first class mail, postmarked no later than \_\_\_\_\_, 2006 to the following address:

Wave Systems Corp. Securities Litigation Settlement  
c/o Garden City Group, Claims Administrator  
P.O. Box 9000 #6472  
Merrick, NY 11566-9000

YOUR FAILURE TO SUBMIT YOUR PROOF OF CLAIM BY \_\_\_\_\_, 2006 WILL SUBJECT YOUR CLAIM TO REJECTION AND PRECLUDE YOUR

**EXHIBIT 2**

RECEIVING ANY MONEY IN CONNECTION WITH THE SETTLEMENT OF THIS LITIGATION. DO NOT MAIL OR DELIVER YOUR PROOF OF CLAIM TO THE COURT OR TO ANY OF THE PARTIES OR THEIR COUNSEL AS ANY SUCH PROOF OF CLAIM WILL BE DEEMED NOT TO HAVE BEEN SUBMITTED. SUBMIT YOUR PROOF OF CLAIM ONLY TO THE CLAIMS ADMINISTRATOR.

1. I affirm that I purchased or otherwise acquired Wave common stock from July 31, 2003 through December 18, 2003, inclusive. (Do not submit this Proof of Claim if you did not purchase or otherwise acquire Wave common stock during this period.)

2. By submitting this Proof of Claim, I state that I believe in good faith that I am a Class Member as defined above and in the Notice of Proposed Settlement of Class Action, Motion for Attorneys' Fees and Settlement Fairness Hearing (the "Notice"), or am acting for such person; that I am not a Defendant in the Action or anyone excluded from the Class; that I have read and understand the Notice; that I believe that I am entitled to receive a share of the Net Settlement Fund; that I elect to participate in the proposed Settlement described in the Notice; and that I have not filed a request for exclusion. (If you are acting in a representative capacity on behalf of a Class Member (*e.g.*, as an executor, administrator, trustee or other representative), you must submit evidence of your current authority to act on behalf of that Class Member. Such evidence would include, for example, letters testamentary, letters of administration or a copy of the trust documents.)

3. I have set forth where requested below all relevant information with respect to each purchase and acquisition of Wave common stock during the Class Period, and each sale, if any, of such common stock. I agree to furnish additional information (including transactions in other Wave securities) to the Claims Administrator to support this claim if requested to do so.

4. I have enclosed photocopies of the stockbroker's confirmation slips, stockbroker's statements, relevant portions of my tax returns or other documents evidencing each purchase,

acquisition, sale or retention of Wave common stock listed below in support of my claim. (IF ANY SUCH DOCUMENTS ARE NOT IN YOUR POSSESSION, PLEASE OBTAIN A COPY OR EQUIVALENT DOCUMENTS FROM YOUR BROKER OR TAX ADVISOR BECAUSE THESE DOCUMENTS ARE NECESSARY TO PROVE AND PROCESS YOUR PROOF OF CLAIM.)

5. I understand that the information contained in this Proof of Claim is subject to such verification as the Claims Administrator may request or as the Court may direct, and I agree to cooperate in any such verification. (The information requested herein is designed to provide the minimum amount of information necessary to process most simple claims. The Claims Administrator may request additional information as required to efficiently and reliably calculate your Recognized Claim. In some cases the Claims Administrator may condition acceptance of the claim based upon the production of additional information, including, where applicable, information concerning transactions in any derivatives of the subject securities such as options.)

6. Upon the occurrence of the Effective Date (as defined in the Notice) my signature hereto will constitute a full and complete release, remise and discharge by me or, if I am submitting this Proof of Claim on behalf of a corporation, a partnership, estate or one or more other persons, by it, him, her or them, and by my, its, his, her or their heirs, executors, administrators, predecessors, successors and assigns of each of the "Released Parties," of all "Settled Claims." The term "Settled Claims" means any and all claims, debts, demands, rights or causes of action or liabilities whatsoever (including, but not limited to, any claims for damages, interest, attorneys' fees, expert or consulting fees, equitable or injunctive relief and any other costs, expenses or liability whatsoever), whether based on federal, state, local, statutory or common law or any other law, rule or regulation, whether fixed or contingent, accrued or

unaccrued, liquidated or unliquidated, at law or in equity, matured or unmatured, whether class or individual in nature, including both known claims and Unknown Claims, (i) that have been asserted in this Action by the Class Members or any of them against any of the Released Parties, or (ii) that could have been asserted in any forum by the Class Members or any of them against any of the Released Parties which arise out of or are based upon the allegations, transactions, facts, matters or occurrences, representations or omissions involved, set forth, or referred to in the Complaint and relate to the purchase or acquisition of the common stock of Wave during the Class Period. The term "Released Parties" means any and all of the Defendants, their past or present subsidiaries, parents, successors and predecessors, officers, directors, agents, employees, insurers, co-insurers, reinsurers, controlling shareholders, attorneys, divisions, joint ventures, accountants, spouses, personal or legal representatives, assigns, heirs, any members of an Individual Defendant's immediate family and any trust of which any Individual Defendant is the settlor or which is for the benefit of an Individual Defendant's family, and any person, firm, trust, corporation, officer, director or other individual or entity in which any Defendant has a controlling interest or which is related to or affiliated with any of the Defendants, and the legal representatives, heirs, successors in interest or assigns of any such party. The term Unknown Claims any and all Settled Claims which any Lead Plaintiff or Class Member does not know or suspect to exist in his, her or its favor at the time of the release of the Released Parties, and any Defendants' Claims which any Defendant does not know or suspect to exist in his, her or its favor.

7. NOTICE REGARDING ELECTRONIC FILES: Certain claimants with large numbers of transactions may request, or may be requested, to submit information regarding their transactions in electronic files. All claimants MUST submit a manually signed paper Proof of

Claim form listing all their transactions whether or not they also submit electronic copies. If you wish to file your claim electronically, you must contact the Claims Administrator at 1-866-702-3587 or visit their website at [www.gardencitygroup.com](http://www.gardencitygroup.com) to obtain the required file layout. No electronic files will be considered to have been properly submitted unless the Claims Administrator issues to the claimant a written acknowledgment of receipt and acceptance of electronically submitted data.

8. Statement of Claim

Name(s) of Beneficial Owner(s):

\_\_\_\_\_  
Name

\_\_\_\_\_  
Joint Owner's Name (if any)

Address of Beneficial Owner(s):

\_\_\_\_\_  
Street No.

\_\_\_\_\_  
City

\_\_\_\_\_  
State Zip

\_\_\_\_\_  
Code

( ) \_\_\_\_\_  
Telephone No. (Day)

( ) \_\_\_\_\_  
Telephone No. (Night)

\_\_\_\_\_  
Taxpayer I.D. No. or Social Security No.

Check one:

\_\_\_\_ Individual      \_\_\_\_ Corporation

\_\_\_\_ Joint Owners      \_\_\_\_ IRA

\_\_\_\_ Estate      \_\_\_\_ Other \_\_\_\_\_

(specify)

9. At the close of business on July 30, 2003, I owned \_\_\_\_\_ shares of Wave common stock (If none, write "zero" or "0") (If other than zero, must be documented).

10. I made the following purchases/acquisitions of Wave common stock during the period from July 31, 2003 through December 18, 2003, inclusive:

Date(s) of Purchase/Acquisition (List Chronologically) (Month/Day/Year)	Number of Shares of Common Stock Purchased/Acquired	Purchase Price Per Share of Common Stock	Aggregate Cost (including commissions, taxes, and fees)
____/____/____	_____	\$ _____	\$ _____
____/____/____	_____	\$ _____	\$ _____
____/____/____	_____	\$ _____	\$ _____
____/____/____	_____	\$ _____	\$ _____
____/____/____	_____	\$ _____	\$ _____

11. I made the following sales of Wave common stock during the period July 31, 2003 through December 18, 2003, inclusive.

Date(s) of Sale (List Chronologically) (Month/Day/Year)	Number of Shares of Common Stock Sold	Sale Price Per Share of Common Stock	Amount Received (net of commissions, taxes, and fees)
____/____/____	_____	\$ _____	\$ _____
____/____/____	_____	\$ _____	\$ _____
____/____/____	_____	\$ _____	\$ _____
____/____/____	_____	\$ _____	\$ _____
____/____/____	_____	\$ _____	\$ _____

12. At the close of business on December 18, 2003, I still owned \_\_\_\_\_ shares of Wave common stock. (If none, write "zero" or "0") (If other than zero, must be documented).

13. IF YOU NEED ADDITIONAL SPACE TO LIST YOUR TRANSACTIONS PHOTOCOPY THIS PAGE

14. Request for Taxpayer Identification Number: Enter taxpayer identification number below for the Beneficial Owner(s). For most individuals, this is your Social Security Number. If you fail to provide this information, your claim may be rejected.



\_\_\_\_\_  
Social Security Number (for individuals) or

\_\_\_\_\_  
Taxpayer Identification Number  
(for estates, trusts, corporations, etc.)

15. I (We) certify that I am (we are) NOT subject to backup withholding under the provisions of Section 3406 (a)(1)(c) of the Internal Revenue Code because: (a) I am (We are) exempt from backup withholding, or (b) I (We) have not been notified by the I.R.S. that I am (we are) subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the I.R.S. has notified me (us) that I am (we are) no longer subject to backup withholding.

NOTE: If you have been notified by the I.R.S. that you are subject to backup withholding, please strike out the language that you are not subject to backup withholding in the certification above.

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UNDER THE PENALTIES OF PERJURY, I (WE) CERTIFY THAT ALL OF THE INFORMATION I (WE) PROVIDED ON THIS PROOF OF CLAIM FORM IS TRUE, CORRECT AND COMPLETE.

	Signature of Claimant (If this claim is being made on behalf of Joint Claimants, then each must sign) _____ (Signature) _____ (Signature)
Date: _____	

THIS PROOF OF CLAIM MUST BE SUBMITTED NO LATER THAN \_\_\_\_\_, 2006, AND MUST BE MAILED TO:

Wave Systems Corp. Securities Litigation Settlement  
c/o Garden City Group, Claims Administrator  
P.O. Box 9000 #6472  
Merrick, NY 11566-9000

A Proof of Claim received by the Claims Administrator shall be deemed to have been submitted when posted, if mailed by \_\_\_\_\_, 2006, and if a postmark is indicated on the envelope and it is mailed first class, and addressed in accordance with the above instructions. In all other cases, a Proof of Claim shall be deemed to have been submitted when actually received by the Claims Administrator.

If you wish to be assured that your Proof of Claim is actually received by the Claims Administrator then you should send it by Certified Mail, Return Receipt Requested. No acknowledgment will be made as to the receipt of claim forms. You should be aware that it will take a significant amount of time to process fully all of the Proofs of Claim and to administer the Settlement. This work will be completed as promptly as time permits, given the need to investigate and tabulate each Proof of Claim. Please notify the Claims Administrator of any change of address.